

## Message Text

CONFIDENTIAL

PAGE 01 LISBON 03891 162055Z  
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 SP-02 PM-03 NSC-05 INR-04  
SSO-00 L-01 /038 W  
-----162116Z 025800 /55  
P 161827Z MAY 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC PRIORITY 1412

C O N F I D E N T I A L LISBON 3891

LIMDIS

FROM VICE PRESIDENT

E.O. 11652: GDS  
TAGS: PFOR, MPOL PO OTRA (MONDALE, WALTER F.)  
SUBJECT: AZORES NEGOTIATIONS

1. DURING THE COURSE OF MY VISIT TO PORTUGAL, I HAVE DISCUSSED AZORES NEGOTIATIONS WITH THE PRESIDENT, THE PRIME MINISTER, AND THE FOREIGN MINISTER. THEY RAISED THE ISSUE WITH ME. I COME AWAY WITH THE DEFINITE FEELING THAT WE HAVE AN OPPORTUNITY TO REACH EARLY AGREEMENT PROVIDING WE DEMONSTRATE SOME FLEXIBILITY ON WHAT WE ARE WILLING TO OFFER AND ARE PREPARED TO ADOPT UNORTHODOX APPROACHES.

2. ALL THOSE WITH WHOM I DISCUSSED THIS MATTER EMPHASIZED THAT THE PROBLEM WAS ESNTIALLY ONE OF INTERNAL RELATIONSHIPS BETWEEN THE GOP AND THE AZOREANS. THERE ARE SOME NUANCES BETWEEN THE POSITIONS TAKEN BY VARIOUS GOP LEADERS. THE FOREIGN MINISTER, WHO IS AZOREAN, FOR EXAMPLE, CLEARLY FEELS UNDER PRESSURE TO GET THE BEST DEAL FOR THE

AZORES. THE PRESIDENT, ON THE OTHER HAND, AND I SENSE THE PRIME MINISTER AGREED WITH HIM, IS INTERESTED IN CONCLUDING A QUICK AGREEMENT TO ELIMINATE A SOURCE OF FRICTION BETWEEN THE AZOREANS AND THE GOP. IN MY PRESENCE HE INDICATED TO THE FOREIGN MINISTER THAT HE WANTED AN AGREEMENT CONCLUDED RAPIDLY.

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3. IT APPEARS TO ME THAT WE ARE DEALING MORE WITH A POLITICAL PROBLEM THAN WITH A NEGOTIATION. WHAT IS NEEDED IS FOR US TO INDICATE PRIVATELY AND INFORMALLY TO THE GOP A FIGURE THAT WE CAN LIVE WITH. IN THIS CONNECTION THE FOREIGN MINISTER HINTED BROADLY THAT THERE MAY BE SOME COSMETICS INVOLVED BY CITING AS AN EXAMPLE THE 1971 AGREEMENT WHICH "PRODUCED DOLS 400 MILLION

IN EXIMBANK WHICH WERE NEVER USED." THUS IT MIGHT BE  
PREFERABLE TO GO TO A HIGHER LOAN FIGURE RATHER THAN PROPOSE  
GRANT AID. IN ANY EVENT, IT STRIKES ME AS A BIT INCONGROUS  
THAT WE SHOULD BE PROPOSING INCREASED AID FOR PORTUGAL ON THE  
ONE HAND AND TRYING TO NEGOTIATE A ROCK-BOTTOM MINMAL AMOUNT  
FOR THE LAJES BASE ON THE OTHER.

4. I WOULD HOPE WE CAN COME UP WITH A REASONABLE FIGURE FOR  
THE AZORES AS SOON AS POSSIBLE. I SUGGEST THAT WE MAKE AN  
INTENSIVE EFFORT IMMEDIATELY TO REACH AN AGREEMENT ON SPECIFICS  
(I.E., GRANTS, LOANS, MILITARY AID VS. ECONOMIC). THE PRIME  
MINISTER MADE IT CLEAR THAT ONCE THIS IS DONE, ALL THAT WOULD  
BE NEEDED WOULD BE ONE FORMAL NEGOTIATING SESSION AND THE  
SIGNING OF AN AGREEMENT.  
CARLUCCI

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009